



Communicator

News from the SBA Rhode Island District Office

VOLUME 6 NUMBER 1

AMERICA'S SMALL BUSINESS RESOURCE

OCTOBER 2003

SBA Has Record Year For Small Business Lending in Rhode Island

Small businesses in Rhode Island received a record 1091 loans that were guaranteed by the U.S. Small Business Administration during the fiscal year that ended September 30, 2003, a 14 percent increase over last year.

The SBA-backed loans injected more than \$83.5 million into the state's economy and created or retained an estimated 2,532 jobs.

The number of SBA export working capital loans totaled 36, an astounding 177 percent over last year. Lending to the 'targeted markets,' minorities, women and veterans was unchanged at 475 loans. Lending to women entrepreneurs increased by just over 23 percent to 231 loans.

For the ninth consecutive year, Citizens Bank finished as the top SBA lender in New England with a total of 3,382 loans for more than \$109.6 million (*See the complete Fiscal Year 2003 SBA lending totals in the BankRank on Page 7*).

"The record number of SBA-backed loans produced in Rhode Island last fiscal year is further proof that the agency continues to play a critical role in providing access to capital for small businesses," said Mark S. Hayward, Director of the SBA Rhode Island District Office. "The flow of capital, enhanced by the SBA guarantee, is an important factor in the growth of Rhode Island's economy. Together with our resource partners, we continue to provide greater technical assistance needed by entrepreneurs to start and grow small businesses," Hayward added.

Fiscal Year 2003 At-A-Glance

SBA-Guaranteed Loans: 1091 Volume: \$83,557,794

Total Counseling and Training: 11,367

Top Rhode Island SBA Lenders:

1. Citizens Bank	744 Loans	\$21,128,402
2. Fleet Bank	78 Loans	\$5,106,700
3. Bank RI	72 Loans	\$7,604,751
4. Coastway CU	42 Loans	\$7,574,750
5. Sovereign Bank	33 Loans	\$4,827,500

Technical Assistance Provided:

District Office Training and Counseling Clients	1,409
Business Information Center Clients	2,228
SCORE Clients	1,623
RI Small Business Development Center Clients	5,020
Center for Women & Enterprise Clients	1,087

Regionally, the SBA guaranteed 7,481 loans totaling \$750 million to New England small businesses, a 20 percent increase over last year.

Nationally, the SBA guaranteed 76,465 loans, an increase of 29 percent over last year. The number of loans to minorities also rose by 38 percent. Based on statements from borrowers, the loans helped small businesses retain or create more than a half million jobs nationwide.

SCORE: *Counselor's to America's Small Business*, presented 42 workshops attended by 650 entrepreneurs, the RI Small Business Development Center trained more than 2,725 people, and the Center for Women & Enterprise trained 281 women and helped package 42 loans totaling nearly \$6 million.

Fiscal Year 2003....SBA



Regional Administrator Jeffrey Butland, (center), accompanies Congressman James Langevin (left) and Senator Lincoln Chafee on a tour of the Station Night Club fire scene.



Deputy Administrator Melanie Sabelhaus and **Governor Donald Carcieri** answer questions about SBA's response to changes in the RI fire code during a State House news conference.



District Director Mark S. Hayward tells fire code workshop attendees about SBA assistance available to help them comply with the stricter state fire code.



James Vincent (third from left), receives the SBA Special Achievement Award during the MED Week Awards Dinner. **Sussy DeLeon**, President of RE/Max New Horizons Realty was the 2002 RI Minority Small Business Person of the Year



SBA Administrator Hector V. Barreto (right) listens to **Heraldo Gonzalez**, an SBA borrower and President of AldoTech, during a tour of the facility in April.



Rhode Island Governor Donald Carcieri (left) and **Regional Administrator Jeffrey Butland** pose following a meeting to discuss small business issues at the State House.

Pictorial Year in Review



Valerie A. Martelli receives the 2003 Rhode Island Small Business Person of the Year Award from SBA Chief Counsel for Advocacy **Tom Sullivan** (left) and District Director **Mark S. Hayward**.



Deputy Administrator Melanie Sabelhaus (right) chats with **Jeannine Vigeant**, owner of The Good feet Store in Smithfield. Jeannine expanded her business with an SBA MicroLoan.



Pawtucket Red Sox Second Baseman Trace Coquillette autographs a baseball for Coastway Credit Union President **Bill White** (left) during SBA Night at McCoy Stadium. 2003 Small Business Person **Valerie A. Martelli** (center) looks on.



Enjoying SBA Night at McCoy Stadium: From left, **Major General Reginald Centracchio**, Adjutant General of the RI National Guard, **John Ricotilli**, Chair of the RI Committee, Employer Support of the Guard and Reserve, SBA Intern **Kristen Jodat**, Regional Administrator **Jeffrey Butland**, District Director **Mark S. Hayward**, and SCORE Chapter Chair **John McLaughlin**. Kristen sang the National Anthem prior to the game.



SBA Public Information Office **Norm Deragon** makes a presentation on SBA programs and services at the University of Rhode Island during one of the many SBA Days across the state.



The first SBA Export Lender Award was presented by **Administrator Hector V. Barreto** to Citizens Bank Chairman **Lawrence K. Fish** (third from left). Looking on, from left, SBA International Trade Specialist **John Joyce**, Regional Administrator **Jeffrey Butland**, **Fish, Barreto**, Citizens Bank Director of Government Programs **Gary Heidel**, and Citizens Bank Senior Vice President and Director of Small Business Lending **Mary Leach**.

Rhode Island Firms Participate in SBA Regional Roundtable

Rhode Island was well represented during the New England SBA 50th Anniversary celebration in Bangor, Maine on October 7. The Maine event, attended by more than 350 people, was the first of an 11 city Economic Growth Tour.

Representatives from three Rhode Island companies participated in a roundtable discussion with SBA Deputy Administrator Melanie R. Sabelhaus.

Health care insurance costs and affordability and contract bundling were the main issues discussed by Leo R. Blais, President of the Pawtuxet Valley Prescription and Surgical Center in Coventry, Heraldo Gonzalez, President of AldoTech Corporation in Warwick, and Mark S. Deion, President of Deion Associates & Strategies, Inc, also in Warwick.

The remarks made by each of the Rhode Island small business owners drew positive responses from both Senator Olympia Snow, who chairs the Senate Small Business and Entrepreneurship Committee, and Deputy Administrator Sabelhaus.

Senator Snowe thanked Gonzalez for bringing the contract bundling issue to the table during the two hour roundtable discussion.

Contract bundling refers to the practice by federal agencies of combining several smaller contracts into one larger contract. The practice became widespread in the mid-1990s to speed up and streamline government acquisition. However, contract bundling puts small business contractors at a disadvantage because they are generally unable to satisfy all the requirements in a bundled contract.

Deputy Administrator Sabelhaus said the SBA also supports the creation of health insurance pools for small businesses. The so-called Association Health Plans drive down costs, offer a variety of plans, and make health insurance more accessible to



Regional Administrator Jeffrey Butland and Maine Senator Olympia Snowe, Chair of the Senate Small Business Committee, participated in the roundtable discussion.

Small Business Development Center and Small Business Advocacy Council to Host First Latino Expo

The Rhode Island Small Business Development Center and the Rhode Island Small Business Advocacy Council are partnering to present the first-ever Latino Business Expo. The event will take place on Thursday, October 30 from 4 to 10 p.m. at Rhodes on-the-Pawtuxet in Cranston.

The expo will provide a networking forum for Latino entrepreneurs and an opportunity to highlight and showcase their businesses. It is also an opportunity for the Small Business Development Center to build on the successes of its Latino Business Initiative by fostering business relationships.

The growth of Latino-owned businesses in Rhode Island now totals over 2,200, according to Census Bureau statistics. These businesses employ nearly 2,000 individuals with an annual payroll of \$31.2 million.

For more information about the Latino Business Expo, contact Adriana Dawson, Assistant Director of the Rhode Island Small Business Development Center at (401) 232-6923.

SBA Revamps 504 Loan Program

The SBA is modifying its 504 Certified Development Company Program to encourage creation of new lenders' expansion of the territories they serve. The changes are designed to improve delivery of the program to small businesses and further spur job creation.

The new rules are effective November 7, 2003. The most significant changes affect the program's Certified Development Companies and their organizational structure, as well as steps to form a new CDC or expand the territory of an existing one.

Some highlights of the changes are: (1) more flexible membership requirements for CDCs, (2) greater authority to approve more non-standard projects, (3) expansion of the areas of operation to allow all CDCs statewide coverage, and (4) elimination of rules requiring a minimum number of loans by each lender.

Demand for loans under the 504 Program has not reached the maximum budgetary authority for many years, although the program registered a record \$3.16 billion in loans last fiscal year. The program's authorization maximum for the year, however was \$4.5 billion. With the new rules, the SBA is taking steps to increase the availability of a program whose flexibility is vital for the small business community.

The 504 Program, originally created in 1986, provides long-term, fixed-rate financing to small businesses at favorable rates for fixed-asset financing as a means to foster economic development and create and preserve jobs in urban and rural areas.

From 1986 to 2002, the 504 Program created or retained

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www.sba.gov/ri

From the Director's Desk



Another fiscal year has passed and once again we have broken a district office record. The 1091 loans provided to our small business community tops the 976 in FY 01. At the same time our loan numbers increased the overall dollar amount was somewhat less. The average loan size of \$47,000 suggests that the small business community needs working capital versus fixed asset acquisition. Statistics indicate that this may very well be a job stimulator to the economy.

We want to extend our appreciation and congratulations to all of our lenders for their willingness to provide capital to the small business community. It is our intention to visit each of our participating lenders and to encourage their SBA lending activity in Rhode Island during Fiscal Year 2004.

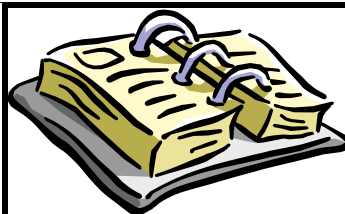
We have a lot of exciting things planned for this fiscal year. We will be ramping up our outreach and marketing efforts, particularly to the under-served markets. It is our hope to increase lending in these markets by 10 to 15 percent. The district office, in planning our outreach efforts, will be working with Federal and SBA resource partners to bring strategic seminars to the community.

Our aggressive marketing and outreach will begin during Minority Enterprise Development Week, which takes place December 1 -5.

On December 2nd and 3rd we are honored that once again SBA Deputy Administrator Melanie Sabelhaus will be here in the Ocean State. On Tuesday, December 2nd she will host a Minority Business Owners Roundtable, keynote our first "Matchmaking Conference" and speak at the 9th Annual SCORE Tax Update Workshop. In the afternoon the deputy will host a "Small Business Roundtable" at Pawtuxet Valley Prescription and Infusion Center in Coventry and then keynote the MED Week Awards Ceremony at the Rhodes on the Pawtuxet in Cranston.

On December 3, she will address the Central Rhode Island Chamber of Commerce at the Alpine Country Club prior to returning to Washington D.C. The community and the staff are very excited to have the Deputy Administrator back in Rhode Island. Key issues, including Association Health Plans, Fire Code Compliance and access to Federal contracts will be among the topics she will be addressing.

Again, thank you for your support during Fiscal Year 2003 and we look forward to a successful 2004.



Calendar of Events

Every Friday Morning, 9:00 – 11:00 a.m.

Information Workshop for Starting a Small Business

Central RI Chamber of Commerce

Slade's Ferry Business Center

3280 Post Road, Warwick, RI Fee: **FREE**

Learn about the many free programs and services available from the Small Business Administration, find out how to create a winning business plan, and receive a tour of the Central RI Chamber/SBA Business Information Center. Seating is limited so pre-registration is required. Register by calling (401) 528-4561, or online at www.sba.gov/ri/ridoregistration.html.

Thursday, November 6, 2003 9:00 a.m. – 12:00 p.m.

Business Basics Workshop

Center for Women & Enterprise,

55 Claverick St., Suite 102, Providence, RI Fee; \$45.00

This workshop will help entrepreneurs clarify their business idea, formulate an action plan, determine cash needs, and find access to capital.

Register by calling CWE at (401) 277-0800

Thursday, November 13, 2003 6:00 – 8:00 p.m.

SBA Small Business Information Workshop FREE

Greenville Public Library, 573 Putnam Pike, Greenville, RI

Find out about the many free programs and services available to entrepreneurs from the Small Business Administration. How to Write a Winning Business Plan will also be presented.

Register by calling the SBA at (401) 528-4561, or online at www.sba.gov/ri/ridoregistration.html.

Friday, November 14, 2003 9:00 – 11:00 a.m.

Small Business Programs and Federal Labor Laws

Greater Westerly-Pawcatuck Area Chamber of Commerce

1 Chamber Way, Westerly, RI **FREE**

The workshop includes information about the many free programs and services available from the **Small Business Administration**. A segment on How to Write a Winning Business Plan will also be covered. The **U.S. Department of Labor, Wage and Hour Division**, will present information every employer needs to know about the Fair Labor Standards Act, including minimum wage, overtime, record keeping, and child labor requirements.

Register by calling SBA at (401) 528-4561, or online at www.sba.gov/ri/ridoregistration.html.

For an updated listing of workshops and small business events, visit the SBA Rhode Island District Office Web site at: www.sba.gov/ri

2004 Rhode Island Salute to Small Business AWARDS NOMINATION FORM

NOMINATION DEADLINE: NOVEMBER 14, 2003

AWARD CATEGORIES: (Please check appropriate box. See category descriptions below)

- | | | |
|---|--|---|
| <input type="checkbox"/> Small Business Person | <input type="checkbox"/> Small Business Exporter | <input type="checkbox"/> SBA Young Entrepreneur |
| <input type="checkbox"/> Entrepreneurial Success | <input type="checkbox"/> Financial Services Advocate | <input type="checkbox"/> Minority Small Business Advocate |
| <input type="checkbox"/> Women in Business Advocate | <input type="checkbox"/> Small Business Journalist | <input type="checkbox"/> Small Business Research Advocate |

Name of Nominee: _____

Company Name: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

Nominated by: _____

Company/Organization: _____

Address: _____

City/Town: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-Mail: _____

Mail nomination form to: Small Business Awards, U.S. Small Business Administration, 380 Westminister Street, Room 511, Providence, RI 02903 OR Fax to: (401) 528-4539

Criteria for Nomination

Small Business Person of the Year

History as an established business (3-5 years); growth in number of employees; increase in sales and /or unit volume; current and past financials-(improved position last 3 years); innovative product/service; response to adversity; evidence of contributions to community.

Minority Small Business Advocate of the Year

Voluntary efforts beyond business/professional services; efforts to improve condition in minority small business community; voluntary professional services to the minority small business community; accomplishments in advising minority small business groups of opportunities; other accomplishments demonstrating nominee's merit as an effective advocate.

Women in Business Advocate of the Year

Efforts to increase business and financial opportunities for women; legal, financial or managerial assistance provided to enhance women's business ownership; voluntary efforts to strengthen the role of women business owners; advocacy of the women-owned business community as a whole, not solely for individual personal advancement; other accomplishments demonstrating effectiveness in improving the environment for businesses owned and operated by women.

Financial Services Advocate of the Year

Outside of regular business duties, the amount and quality of assistance given small businesses to obtain financing; Advocacy of changes in the financial services industry to assist small companies; Encouragement of the flow of investment capital to small ventures; Active support for legislative or regulatory action designed to help small firms; Other significant contributions through the financial services or accounting industries to advance small business interests.

Small Business Exporter of the Year

Increased sales, profits and/or growth of employment because of exporting-(Profit and Loss Statement and Balance Sheets for 3 years); creative overseas marketing strategies; effective solutions to export-related problems; demonstrated

encouragement of other small businesses to export; voluntary assistance to other small businesses entering the export market; cooperation with other firms in creation of export trading companies and/or introduction of unique trading relationships, products or services.

Young Entrepreneur of the Year

Under age 30 on June 1, 2004; evidence of success as measured by sales and profits-(Profit and Loss Statements and Balance Sheets for past 3 years); increased employment opportunities created by nominee's business; development and /or utilization of innovative or creative business methods; demonstrated entrepreneurial potential necessary for long term business success and economic growth.

Entrepreneurial Success Award

SBA assistance- (type(s) and amount(s) received); growth in number of employees; increase in sales and/or unit volume- (current and past financial statements); innovative product or service offered; evidence of contributions to community oriented projects

Small Business Research Advocate of the Year

Research products, including publications, articles, or presentations on the value of small business; Development or implementation of curricula to study small business or entrepreneurship; Promotion of small business issues through research presented at national or international conferences.

Small Business Journalist of the Year

Concerted efforts to increase public understanding of the importance of small business contribution to the economy; contribution of news and feature stories, editorials, columns and commentary that highlight and analyze small business issues; award recognition for achievement in the field of small business journalism; voluntary community service aimed at enhancing small business opportunity and growth; other achievements that exemplify the nominee's media effort to improve the understanding of small business' role in the economy.

RHODE ISLAND SBA BANK RANK

FY03 7(a) Approved Loan Volume by SBA Lenders and Number of Loans 10/1/02 to 9/30/03

1. Citizens Bank of Rhode Island	744	\$21,128,402
2. Fleet Bank	78	\$5,106,700
3. BankRI	72	\$7,604,751
4. Coastway Credit Union	42	\$7,574,750
5. Sovereign Bank New England	33	\$4,827,500
6. The Washington Trust Co.	32	\$5,240,000
7. Independence Bank	9	\$3,836,750
8. First Federal Savings Bank	8	\$1,379,800
9. UPS Capital Business Credit	6	\$2,873,500
10. Home Loan and Investment Bank	6	\$2,760,000
11. Minority Investment Development Corp.	6	\$587,000
12. Bank of Fall River	5	\$2,410,000
13. CIT Small Business Lending	4	\$1,282,000
14. Capital One F.S.B.	4	\$160,000
15. Business Loan Express	3	\$893,000
16. Business Lenders LLC	3	\$410,000
17. Freedom National Bank	2	\$400,000
18. Wachovia SBA Lending, Inc.	1	\$1,166,000
19. Bank of Newport	1	\$496,641
20. Danvers Savings Bank	1	\$412,000
21. Slade's Ferry Bancorp	1	\$267,000
22. Greenwood Credit Union	1	\$250,000
23. Domestic Bank	1	\$110,000
24. Business Development. Co. of Rhode Island	1	\$100,000
25. Bank North, N.A.	1	\$35,000
26. Bristol County Savings Bank	0	
27. Centreville Savings Bank	0	
28. First Trade Union Bank	0	
29. G.E. Capital Small Business Finance Corp.	0	
30. Newport Federal Savings Bank	0	
Sub-Total:	1065	\$71,310,794

Ocean State Business Development Authority

OSBDA is a Certified Development Company licensed by SBA. The following lenders approved first mortgage financing on economic development projects, thereby facilitating the 504 loans listed below through 9/30/03.

Lender	Number Loans	SBA Debenture	Total Project
Bank RI	4	\$2,972,000	\$14,747,142
Sovereign Bank	3	\$1,287,000	\$3,108,000
The Washington Trust Company	3	\$1,198,000	\$2,645,000
Fleet Bank	3	\$970,000	\$2,020,000
Domestic Bank	2	\$1,663,000	\$3,850,000
First Trade Union Bank	2	\$956,000	\$2,310,000
Coastway Credit Union	2	\$348,000	\$887,500
UPS Capital Business Credit	1	\$1,031,000	\$3,025,000
Bank of Newport	1	\$516,000	\$1,425,000
Bristol County Savings Bank	1	\$363,000	\$1,000,000
Freedom National Bank	1	\$352,000	\$970,000
Dime Savings Bank	1	\$228,000	\$623,529
First Federal Savings Bank	1	\$221,000	\$530,000
Home Loan and Investment Bank	1	\$142,000	\$390,000
Total 504 Loans	26	\$12,247,000	\$37,531,171
Total Loans	1091	\$83,557,794	



Rhode Island District Office
380 Westminster Street, Room 511
Providence, Rhode Island 02903

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SBA Communicator

News from the Rhode Island District Office

October 2003

District Director

Mark S. Hayward

Editor

Normand T. Deragon

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www.sba.gov/ri



*Save the
Date*



MED Week 2003 Awards Dinner

"A Celebration of Minority Enterprise Development"

December 2, 2003

**Rhodes on-the-Pawtuxet
60 Rhodes Place
Cranston, RI**

- Business Expo
- Networking Reception
- Awards Dinner
- Free Workshops

MED Week is presented in cooperation with Rhode Island's Chambers of Commerce
For more information call (401)528-4561, or visit www.sba.gov/ri